



**PELLISSIPPI STATE
COMMUNITY COLLEGE**

OFFICE OF THE PRESIDENT

October 28, 2010

Mr. David Gregory
Vice Chancellor, Administration & Facilities Management
Tennessee Board of Regents
1415 Murfreesboro Road, Suite 350
Nashville, Tennessee 37217-2833

Dear Mr. Gregory:

I am pleased to submit to you for your consideration Pellissippi State's proposal for sharing in the Special Capital Outlay funds which have been allocated by Governor Phil Bredesen and the state legislature for community colleges. Our proposal is to purchase an existing facility in east Knox County which would enable us to expand our capacity to meet the growing interest and enrollment in our college over the next several years.

Our proposal meets all of the criteria specified in the guidelines established by the Tennessee Board of Regents. The Pellissippi State Foundation has commitments for the required 15% match of \$1.8 million for this project. \$1.5 million would be applied to property acquisition and \$300,000 would be applied toward renovations. These funds are available contingent on approval of the project by TBR and THEC. Not only have we been able to secure the matching funds, but the owner of the facility has agreed to gift the office furnishings in the facility to the college if the project is approved. The replacement cost of the existing furnishings is valued at over \$1.8 million.

The purchase of this facility would allow the college to expand capacity in our nursing and future allied health programs and would allow Pellissippi State to serve an area of the city which is underserved by higher education. In fact, if you live in west Knox County, you are twice as likely to have a college degree than if you live in east Knox County. This facility, which is 26 miles across town from our main campus, would not only expand capacity; it would provide access to thousands of our citizens who must continue to work while they pursue further education.

We believe that the project is "right-sized" given the cost per square foot of \$54. It is an incredible bargain for the state of Tennessee and a great opportunity for the people of Knox County. Former TBR employee Jerry Preston has examined the facility as has Dick Tracy and both can provide good feedback about the opportunity that this facility presents.

I appreciate your consideration of this proposal and stand ready to answer any questions you may have.

Sincerely,

Allen Edwards
President



**SPECIAL CAPITAL OUTLAY APPROPRIATION
FOR COMMUNITY COLLEGES**

EAST KNOX COUNTY CAMPUS

PELLISSIPPI STATE COMMUNITY COLLEGE

**PROJECT COST: \$12 MILLION
LOCAL MATCH: \$1.8 MILLION
REQUEST: \$10.2 MILLION**

October 2010

Overview

Introduction

Pellissippi State Community College proposes the ***East Knox County Campus*** project as its entry in the Special Capital Outlay Appropriation for Community Colleges competition. This project meets the intent and criteria of the Complete College Tennessee Act of 2010, which was designed (1) to increase educational attainment levels of Tennesseans and (2) to ensure increased degree production for Tennessee citizens.

Pellissippi State's main campus is located in the southwestern extremity of Knox County. The main (Hardin Valley) campus is only 3 miles from Anderson County and 7 miles from Loudon County. In contrast, the main campus is 16 miles from the center of Knoxville and about 30 miles from the northeastern-most sections of Knox County.

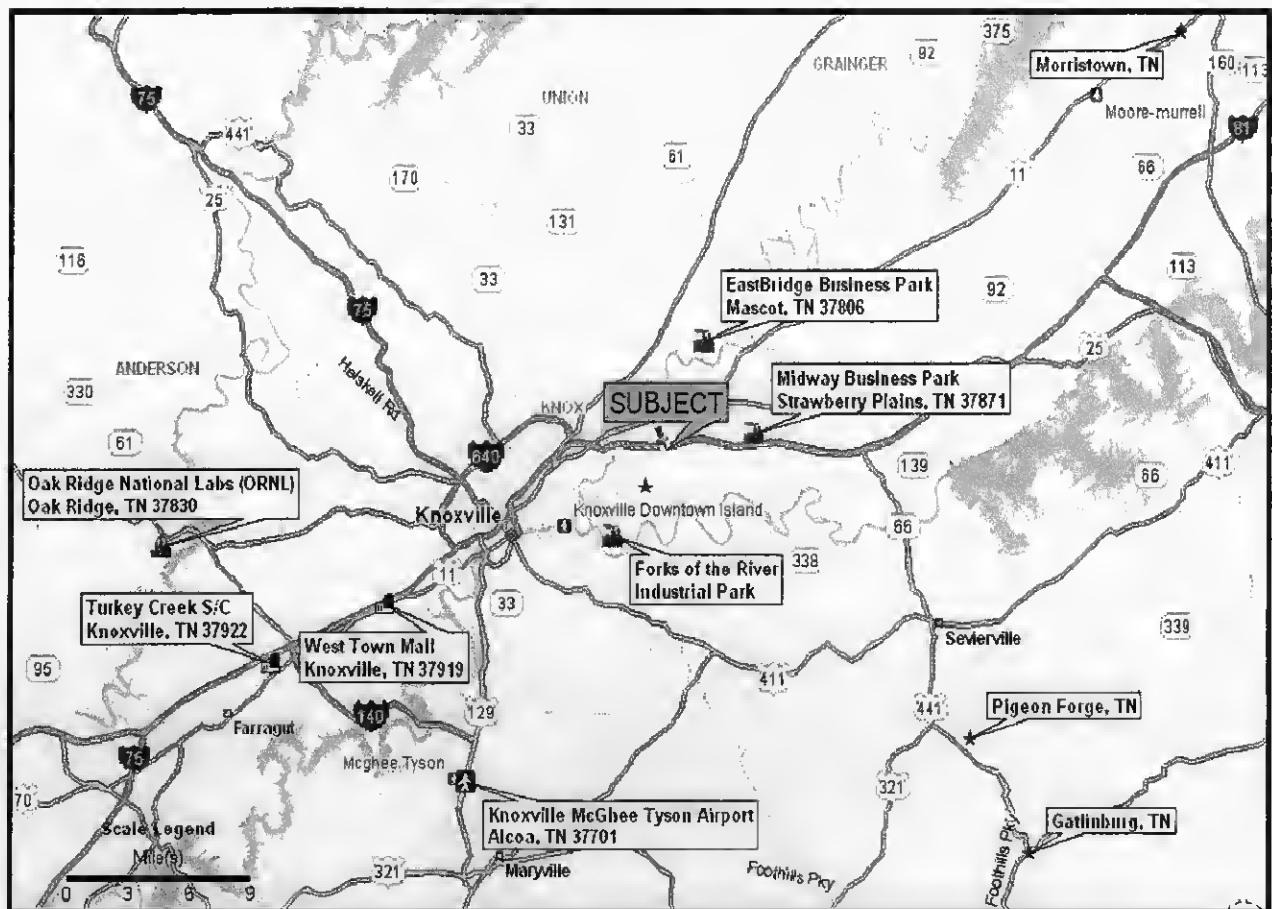
The College has two other locations in Knox County: the Division St. campus near downtown Knoxville, which is at capacity in terms of parking and enrollment, and the Magnolia Ave. campus in East Knoxville, which is also limited in capacity. The College also has a newly built campus in adjacent Blount County.

Pellissippi State has long recognized the need for more effective outreach into the underserved sections of East, North, and South Knox County. This area is bounded approximately by Interstate 75 North and Alcoa Highway/U.S. 129 South. In fact, a site to address these needs has been identified in the College's 1995, 2001, and 2007 Campus Master Plans (see Attachment A).

In August, 2010 Pellissippi State submitted a *Preliminary Assessment of Need* for this site to the TBR Chancellor in accordance with TBR Policy 2:01:01:01 (Permanent or Semi-Permanent Off-Campus Instructional Facilities). This study documented the need for a permanent presence of Pellissippi State in East Knox County (1) to expand citizen access to post-secondary educational opportunities and (2) to increase the educational attainment levels for the residents of East, North, and South Knox County.

Pending approval from the Chancellor, a full-scale *Feosibility Study* for the location has been prepared in accordance with TBR policy (see Attachment B).

The former Philips Electronics North American Headquarters facility, located at 7201 Strawberry Plains Pike just off Interstate 40 Northeast of Knoxville has recently been offered to the College for purchase (see map below). This unique facility would meet all the College's needs to fulfill this identified need.



The Philips facility was built in 1982, renovated extensively in 2002 to bring it up to code, and includes 223,000 square feet of space on 32.57 acres of land with 632 parking spaces. Attachment B of the Feasibility Study describes and pictures the facility in detail.

The campus-like property was used primarily as offices for marketing, administrative, and engineering personnel and for equipment testing by Philips. About 800 employees were housed there at the peak of operations. The facility has been vacant since 2006, when Philips relocated the last of its Knoxville operations.

The property is in good structural and functional condition, requiring minimal costs to modify its space for educational use. The three story main building includes 175,000 SF of open concept office space that would easily convert to classrooms, labs and offices. A full-service cafeteria/kitchen is available, along with 27,000 SF of warehouse/engineering/maintenance shop/dock space.

Philips left all of its modular office furnishings in place, as well as the cafeteria/kitchen equipment, conference furniture, computer flooring, cell phone boosters, security cameras/panels, and HVAC equipment. These furnishings have been evaluated as having a value of \$1,872,905.

The College could potentially relocate some of its academic programs at its Magnolia (Nursing and Teacher Education) and Division St. (Paralegal) campuses to the East Knox County campus,